

KENTUCKY TEACHERS' RETIREMENT SYSTEM CONFLICT OF INTEREST AND CONFIDENTIALITY POLICY

Adopted: March 16, 2009

INTRODUCTION

Adoption of Conflict of Interest and Confidentiality Policy:

Pursuant to the provisions of KTRS 161.250, the Board of Trustees ("Board") of the Kentucky Teachers' Retirement Systems ("KTRS") is vested with the responsibility for the general administration and management of the retirement system. The Board may adopt procedures necessary to conduct the business of the Retirement System as needed. The law shall control if any inconsistency exists between the law and this policy.

Statement of Conflict of Interest and Confidentiality Policy:

KTRS recognizes the need to maintain the public's confidence and trust in the integrity of KTRS and the Commonwealth of Kentucky. Individuals associated with KTRS must not engage in activities that have the potential to become a conflict of interest with their association with KTRS. Likewise, individuals associated with KTRS must not release information about KTRS or any of its members that would breach any duty to protect such information. KTRS recognizes the need to establish procedures to prevent such conflicts or breaches.

Purpose:

The purpose of this Conflict of Interest and Confidentiality Policy is to: a) establish what individuals are subject to conflict of interest provisions of KTRS; b) establish the specific standards of conduct with regard to conflict of interest; c) establish standards with regard to the confidentiality of information; and d) establish procedures for the obtaining of written conflict of interest statements and confidentiality agreements from certain individuals.

PROCEDURES REGARDING CONFLICTS OF INTEREST AND CONFIDENTIALITY

Section 1: Application of Policy

1. This policy shall apply to all individuals who have a statutory, contractual or working relationship with KTRS.
2. Individuals affected by this policy shall include, but are not limited to:
 - A. Employees of KTRS;

- C. Independent contractors of KTRS;
- D. Vendors of KTRS;
- E. Employees or Officers of the Commonwealth of Kentucky providing legal or expert advice at the request of KTRS; and
- F. Any person acting in a fiduciary capacity for KTRS.

Section 2: Standards of Conduct Regarding Conflicts of Interest

1. Individuals have an obligation to diligently identify, disclose, avoid, and manage conflicts of interest.
2. Potential conflicts of interest exist when an individual or an individual's family may be directly or indirectly financially impacted, whether favorably or detrimentally, by a decision made by KTRS in which the individual participates.
3. Individuals and their family members should not enter into any contract with KTRS or any agency doing business with KTRS, for financial gain, apart from an employment contract, without full disclosure and satisfactory management of any potential conflict of interest in accordance with the Executive Branch Code of Ethics and this policy.
4. Individuals should not be involved in the decision by KTRS to hire or in the supervision by KTRS of any member of the individual's "family" as defined by the Executive Branch Code of Ethics.
5. Individuals should not conduct KTRS business or participate in a decision by KTRS concerning a company or agency in which the individual or an individual's family member is employed or is actively seeking employment.
6. Individuals should not accept campaign contributions, gifts, loans, gratuities, discounts, services, or other compensation under circumstances from which it could reasonably be inferred that a major purpose of the donor is to influence the individual in the performance of their duties for KTRS.
7. Individuals must avoid all conduct which in any way might lead the public to believe that the individual is using his or her position with KTRS to further a professional, political, or private interest.
8. Individuals not covered by the conflict of interest provisions under KRS Chapter 11A must not violate any conflict of interest statute or principle by the performance of their duties with KTRS. These individuals must not engage directly or indirectly in any financial or other transaction with a trustee or employee of KTRS that would violate the standards of the Executive Branch Ethics provisions, as set forth in KRS Chapter 11A.

Section 3: Standards of Conduct Regarding Confidentiality

1. Individuals associated with KTRS may be granted access to confidential information in the course of an employment, Board or contractual relationship with KTRS.
2. This information may include, but is not limited to, investment trade data, individual member information, including but not limited to, Social Security numbers, names, addresses, phone numbers, birth dates, beneficiaries, health insurance information, member numbers, as well as documents, records, programs, files, scientific or technical information, or other information made available to individuals for purposes of completing their obligations to KTRS.
3. These individuals have a duty to keep confidential the information to which they are granted access as a result of their association with KTRS.
4. KTRS and these individuals shall also recognize that confidential member information is protected under KRS 161.585.

Section 4: Written Statements of Conflict of Interest and Confidentiality

1. On an annual basis, the Executive Secretary, Deputy Executive Secretaries, Chief Investment Officer, Director of Investment Strategies, Chief Financial Officer, the members of the Board, independent contractors, vendors of KTRS, and other persons identified in Section 1(2) shall file a written conflict of interest statement on the form(s) provided by KTRS and adopted by the Board of Trustees.
2. Upon proposal for contract, and continuing on an annual basis, any independent contractors and vendors of KTRS shall file a written confidentiality agreement on the form provided by KTRS and adopted by the Board of Trustees. This form may be amended to conform to specific needs of the individual vendor or contractor as deemed necessary.
3. Other employees of KTRS may also be requested to file a written conflict of interest statement as needed or requested by the Board.
4. An individual who abstains from involvement in an official decision because of a personal or private interest must disclose that fact in writing to his or her supervisor or contact person at KTRS.

ETHICS AND CONFIDENTIALITY

Individuals as set forth above shall conform to the Executive Branch Code of Ethics with regard to conflicts of interests as set forth in KRS Chapter 11A and this policy. Individuals as set forth above shall conform to the confidentiality requirements of KRS 161.585.

**KENTUCKY TEACHERS' RETIREMENT SYSTEM
BOARD OF TRUSTEES AND EMPLOYEES
CONFLICT OF INTEREST STATEMENT**

I, _____, in my role as _____
_____ for the Kentucky Teachers' Retirement Systems
("KTRS"), recognize the need to maintain the public's confidence and trust in the
integrity of KTRS and the Commonwealth of Kentucky.

I understand that I have the obligation to diligently identify, disclose, avoid, and manage
conflicts of interest that may arise through my relationship with KTRS.

I will conduct my activities with KTRS so that I do not advance or protect my own
interests or the private interests of others with whom I have a relationship, in a way that is
detrimental to the interests of KTRS.

In every instance in which I am acting on behalf of KTRS, I will conduct my activities in
a manner to best promote the interests of KTRS.

I agree not to attempt to influence KTRS in disregard of the public interest at large.

In all matters where an official decision must be made that may favorably or
detrimentally impact my own financial interests or the financial interests of other
individuals or organizations with whom I have a relationship, I will reveal that
relationship and abstain from involvement in the official decision.

When a conflict of interest arises, or when a potential conflict of interest arises, I will
disclose that conflict or potential conflict to the KTRS Executive Secretary, or his or her
designee, and seek resolution of that issue.

I agree not to violate any conflict of interest statute or principle by the performance of my
duties with KTRS. I will not engage directly or indirectly in any financial or other
transaction with a trustee, employee of KTRS, or any other person or organization that
would violate the standards of the Executive Branch Ethics provisions, as set forth in
KRS Chapter 11A.

Agreed this the _____ day of _____, 200__.

Signature

Name

Title

**KENTUCKY TEACHERS' RETIREMENT SYSTEM
EXTERNAL SERVICE PROVIDER
CONFLICT OF INTEREST STATEMENT**

I, _____, in my role as _____
_____ for the Kentucky Teachers' Retirement Systems
("KTRS"), recognize the need to maintain the public's confidence and trust in the
integrity of KTRS and the Commonwealth of Kentucky.

I understand that I have the obligation to diligently identify, disclose, avoid, and manage
conflicts of interest that may arise through my relationship with KTRS.

I will conduct my activities with KTRS so that I do not advance or protect my own
interests or the private interests of others with whom I have a relationship, in a way that is
detrimental to the interests of KTRS.

In every instance in which I am acting on behalf of KTRS, I will conduct my activities in
a manner to best promote the interests of KTRS.

I agree not to attempt to influence KTRS in disregard of the public interest at large.

In all matters where an official decision must be made that may favorably or
detrimentally impact my own financial interests or the financial interests of other
individuals or organizations with whom I have a relationship, I will reveal that
relationship and abstain from involvement in the official decision.

When a conflict of interest arises, or when a potential conflict of interest arises, I will
disclose that conflict or potential conflict to my contact person at KTRS and seek
resolution of that issue.

I agree not to violate any conflict of interest statute or principle by the performance of my
duties with KTRS. I will not engage directly or indirectly in any financial or other
transaction with a trustee or employee of KTRS that would violate the standards of the
Executive Branch Ethics provisions, as set forth in KRS Chapter 11A.

Agreed this the _____ day of _____, 200__.

Signature

Name

Title

Company